

STANDARD AGREEMENT AMENDMENT

STD. 213 A (Rev 6/03)



☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 1 Pages

AGREEMENT NUMBER	AMENDMENT NUMBER
5-06-99-01	#2
REGISTRATION NUMBER	

- This Agreement is entered into between the State Agency and Contractor named below:
STATE AGENCY'S NAME
Department of General Services
CONTRACTOR'S NAME
U.S. Bank National Association N.D. (U.S. Bank)
- The term of this Agreement is October 19, 2006 through October 18, 2011
- The maximum amount of this \$-0- Agreement after this amendment is: -0-
- The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:
Changes to the following sections regarding calculation of the Prompt Payment Incentive (see attached):
Section B.12 of Exhibit A
Section.B3 of Exhibit F
Section D.3 of Exhibit F

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME <i>(If other than an individual, state whether a corporation, partnership, etc.)</i>		
<u>U.S. Bank National Association N.D. (U.S. Bank)</u>		
BY <i>(Authorized Signature)</i>	DATE SIGNED <i>(Do not type)</i>	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
<u>Jeffrey A. Rankin, Senior Vice President</u>		
ADDRESS		
<u>200 South 6th Street, EP-MN-L25C, Minneapolis, MN 55402</u>		
STATE OF CALIFORNIA		
AGENCY NAME		
<u>Department of General Services</u>		
BY <i>(Authorized Signature)</i>	DATE SIGNED <i>(Do not type)</i>	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
<u>Jim Butler, Deputy Director</u>		
ADDRESS		
<u>707 3rd Street West Sacramento, CA 95605-2811</u>		
		<input type="checkbox"/> Exempt per:

**AMENDMENT #2
TO
STANDARD AGREEMENT 5-06-99-01**

1. Section B.12.b., Payment Term and Late Payment Penalties, of Exhibit A to the Standard Agreement is hereby deleted and replaced with the following language:

b. Payment Term and Late Payment Penalties

The Contractor will be responsible for operating a payment system that interfaces with the Participating Agencies' accounting/billing systems. It will be a versatile system and have sufficient flexibility to interface with the Participating Agencies' automated accounting and billing systems. Each Participating Agency will be financially responsible to the awarded Contractor for their respective authorized Cardholder purchases. The Contractor will be responsible for sending an itemized official billing statement to each Participating Agency as designed for each of the billing accounts established for the DGS and within a Participating Agency ("**Billing Accounts**") which lists all transactions posted to Billing Accounts ("**Billing Statement**"). These Billing Statements will be sent promptly after the end of each Billing Cycle. It is anticipated that some participants will have multiple Billing Cycles per month.

The CAL-Card Program has the following minimum payment terms:

The full amount of each Participating Agency's, and each subdivision of each Participating Agency's (the "**Sub-Agency**"), monthly balance or Billing Cycle balance, except for disputed or reported fraud items, will be due within forty-five (45) days from the Billing Cycle date of the Contractor Billing Statement. The Billing Cycle is defined as the period of time from which a Billing Statement is generated until the next Billing Statement is generated

Payment will be made to the Contractor via check, warrant, bank wire, automated clearing house, and/or electronic funds transfer at the Participating Agency's option. Payment sent via mail is considered paid as of the posting date. Contractor will adjust the Prompt Payment Incentive calculation by two (2) days to allow for the difference in time between when a mailed check is received to the time the payment is posted by Contractor (the "**Float Adjustment**").

Late payment penalties for undisputed payments not received by the Contractor within the specified period will be determined under California State Law. Each Participating Agency will be required to pay such penalties based on the California Prompt Payment Act (Government Code, Section, 927) or its successor. The penalty on any undisputed late payment shall be calculated in accordance with the penalty interest factor per day formula provided in the State of California Budget Letter 05-15, Late Payment Penalty Interest Rates (or its successor letter).

The Contractor will, upon request, provide a detailed delinquent account suspension notice report, which shall be sent to the Participating Agency Director or Chief Officer, the State Department of Finance, Fiscal Systems Consulting Unit, and the CAL-Card Statewide Program Administrator, the Participating Agencies with delinquencies greater than forty-five (45) days from the Billing Statement date with subsequent suspension at sixty (60) days after the date of the first billing to that Participating Agency.

The Contractor must provide detailed information and electronic copies to fit 8 ½ x 11 format on the proposed payment system, including:

- Forms of accepted payment
- Ability to cross-reference Cardholder Statement and monthly Billing Statement number
- Paper hard copy Billing Statements/payment
- Electronic Billing Statements/payment including necessary hardware/software

- Billing Statement adjustments
- Late payment collection and suspension policies
- Billing Statement forms and reports
- Collection on delinquent accounts

U.S. Bank maintains a department in our Service Center responsible for reconciling open Billing Statements and tracking delinquent open Billing Statements. This department has staff dedicated to working specifically with the CAL-Card program to assist Agencies with clearing up open Billing Statements.

If a Participating Agency does not pay their Billing Statements in full, less disputed transactions, within fifty-five (55) days of the Billing Statement date, the Agency may be contacted by U.S. Bank's collections staff regarding the unpaid balances. As well, at day fifty-five (55) after Billing Statement date, the collection unit will, upon request, report to the Department of General Services CAL-Card program management, the State Department of Finance contact named by the State, and any other Control Agency named by the State, all Participating Agencies that have undisputed past due balances.

Reports to the State will include a spreadsheet Delinquency Report that lists Participating Agencies with past due balances sub-totaled by aging buckets. Reports also will include an Agency-specific delinquency spreadsheet with detailed information about specific past due Billing Statements within the Agency.

If a Participating Agency has not paid its Billing Statement(s) in full, less disputed items, by day sixty (60) after the Billing Statement date, U.S. Bank may, at its discretion, suspend charging privileges for the Agency as a whole, or at the sub-division level of the Agency that is delinquent. The suspension will remain in effect until such time as the Agency or sub-division has remitted to U.S. Bank the unpaid balance and any associated accrued late payment penalty.

2. The first paragraph of Section B.3., Prompt Payment Incentive, of Exhibit F to the Standard Agreement is hereby deleted and replaced with the following language:

A Prompt Payment Incentive will be given to each Participating Agency (See Table D.3 – Prompt Payment Incentive). The Prompt Payment Incentive calculation is designed to provide an incentive to each Participating Agency. The Prompt Payment Incentive is based solely on the Client Held Days Payment Performance for each Sub-Agency for each quarter (3 calendar months). In order to qualify for a Prompt Payment Incentive, the Client Held Days Payment Performance for each Billing Statement for a Sub-Agency is equal to or less than forty-five (45) Client Held Days. “**Client Held Days**” means the sum of the daily balances for the quarter divided by the total Net Charge Volume for the quarter less fifteen (15) days. Additionally, two (2) more days will be subtracted from the Client Held Days total to determine the Float Adjustment.

“**Client Held Days Payment Performance**” means the speed of repayment of charges made for each quarter. “**Quarterly Volume Sales**” means all Charges set forth on the Billing Statements furnished for all Accounts, less Fees, cash advances, Fraudulent Charges, chargebacks, and amounts Charged-off by Contractor with respect to such accounts as uncollectible for each quarter.

3. Section D.3., Prompt Payment Incentive, of Exhibit F to the Standard Agreement is hereby deleted and replaced with the following language:

The following formula will be used to determine the Prompt Payment Incentive for each Participating Agency:

$(45 - \text{Client Held Days}) / 45 \times .0045 \times \text{Quarterly Volume Sales}$